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June 12, 1995

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Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 222  
Washington, DC 20554

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JUN 12 1995

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**Re: Review of the Prime Time Access Rule, Section 73.658(k) of the  
Commission's Rules (MM Docket No. 94-123)**

Dear Mr. Caton:

On March 7, Economists Incorporated submitted for filing ten copies of a study entitled "An Economic Analysis of the Prime Time Access Rule."

Enclosed herewith are ten copies of revised pages 24, 73, 105 and 106 of that study, as well as a new page 106A.

The revised pages correct slight errors in Tables 2, A-11, and E-22 through E-25. New page 106A contains new Tables E-26 and E-27 covering suppliers of prime-time entertainment series to ABC, CBS and NBC for the 1994/1995 season through April 30, 1995 and for the fall schedule for the 1995/1996 season.

Sincerely,

*Michael G. Baumann*  
Michael G. Baumann

Enclosures

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List A B C D E

no network dominated program production before 1970. Neither ABC, nor CBS nor NBC has ever been dominant in the production of prime-time entertainment programming. Indeed, each of these networks has relied principally on outside sources to supply the programming offered to its affiliates. Second, the financial interest and syndication rules (adopted contemporaneously with PTAR) and the DOJ consent decrees, rather than PTAR, were the vehicles designed to deal with this issue. Finally, there is no evidence that any network today is seeking to dominate prime-time entertainment program production, even with respect to its own needs.

**Table 2      ABC, CBS and NBC production of  
prime-time entertainment series as  
share of all hours aired<sup>54</sup>**

Year	Share of all hours (percentage)
1969/70	1.2
1974/75	1.7
1979/80	2.1
1984/85	0.9
1989/90	3.0
1993/94	6.3

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Table 2 shows the percentage of prime-time entertainment series aired by ABC, CBS and NBC that was produced in-house. Since as long ago as 1969, before PTAR, the financial interest and syndication rules or the DOJ consent decrees were instituted, the average network in-house share of prime-time entertainment series programming has never exceeded 10 percent in any year.<sup>55</sup> Even these small shares overstate the role of the networks as video producers. In constructing a database of first-run network and syndicated television series, specials, mini-series and made-for-TV movies, Economists Incorporated identified 1,399 production companies producing shows that were either broadcast or carried on cable in 1994. ABC, CBS and NBC are only three of a vast number of television

<sup>54</sup> Source: Appendix A, Table A-11.

<sup>55</sup> See Appendix A, Table A-11.

**Table A-11      Average ABC, CBS and NBC shares of prime-time entertainment series broadcast**

<b>Season</b>	<b>Network in-house productions as share of broadcast hours (percentage)</b>			<b>Average</b>
	<b>ABC</b>	<b>CBS</b>	<b>NBC</b>	
1969/70	0.00	1.85	1.78	1.21
1970/71	0.00	2.75	1.87	1.54
1971/72	0.00	2.40	3.11	1.84
1972/73	0.00	2.59	0.83	1.14
1973/74	0.00	3.38	0.00	1.13
1974/75	0.00	2.49	2.49	1.66
1975/76	0.00	2.27	0.00	0.76
1976/77	0.00	3.38	2.09	1.82
1977/78	0.00	0.00	2.59	0.86
1978/79	0.00	2.10	4.62	2.24
1979/80	0.00	1.07	5.22	2.10
1980/81	0.00	0.00	3.80	1.27
1981/82	0.00	0.00	8.11	2.70
1982/83	0.00	0.00	2.68	0.89
1983/84	0.00	0.00	0.46	0.15
1984/85	0.67	0.00	1.91	0.86
1985/86	2.13	2.29	0.99	1.80
1986/87	2.24	0.55	0.19	0.99
1987/88	1.79	0.99	0.73	1.17
1988/89	0.79	0.00	0.00	0.26
1989/90	0.88	4.37	3.87	3.04
1990/91	2.46	7.04	1.83	3.78
1991/92	4.07	7.77	1.53	4.46
1992/93	6.65	9.03	4.54	6.74
1993/94	5.01	11.37	2.65	6.34

Source: Appendix E.

**Table E-22 Suppliers of prime-time  
entertainment series to  
ABC, CBS and NBC,  
1990/91**

<b>Packager</b>	<b>Percent of packager hours</b>
20th Century Fox	2.96
ABC	2.46
ACT II Television	0.15
Barney Rosenzweig Prods.	1.61
Bernie Brillstein Prod.	0.38
Bohco	1.86
Carsey/Werner	4.70
Carson	0.90
Castle Rock	0.70
CBS	7.04
Columbia	3.92
Cosgrove Meurer	2.81
Dick Clark	0.50
Disney	6.33
Imagine	0.35
Kushner/Locke	0.10
Laurel King Inc.	0.30
Lynch Frost	0.95
MCA	10.95
MGM	6.83
MTV	0.15
NBC	1.83
New World	1.21
Ohimeyer	0.50
Orion	0.65
Paramount	7.09
Reeves	0.40
Stephen J. Cannell	2.31
Viacom	6.93
Vin Di Bona	1.13
Warner Brothers	21.96

**Table E-23 Suppliers of prime-time  
entertainment series to  
ABC, CBS and NBC,  
1991/92**

<b>Packager</b>	<b>Percent of packager hours</b>
20th Century Fox	2.67
Aaron Spelling	0.58
ABC	4.07
Barney Rosenzweig Prod.	0.95
Bohco	2.83
Carsey/Werner	5.26
Castle Rock	1.29
CBS	7.77
Columbia	4.68
Cosgrove Meurer	3.17
Dick Clark	0.69
Disney	9.83
Gina Communications	1.24
Hanna-Barbers Prod. Inc.	0.08
Hearst	0.63
L.T.M.N. Productions	0.11
Lynch Frost	0.08
MCA	13.52
MGM	3.75
NBCP	1.53
New World	1.69
Paramount	6.31
Stephen J. Cannell	0.16
The Arthur Company	1.03
Viacom	3.78
Warner Brothers	22.32

**Table E-24 Suppliers of prime-time entertainment series to ABC, CBS and NBC, 1992/93**

<b>Packager</b>	<b>Percent of packager hours</b>
20th Century Fox	4.05
ABCP	6.65
Barnold	1.26
Bohco	2.08
Cannell	0.63
Cannon	0.22
Carsey/Warner	2.30
Castle Rock	1.78
CBS	9.03
Columbia	3.58
Cosgrove-Meurer	3.42
Disney	3.69
Disney/Witt Thomas	1.09
Grant/Tribune	0.14
Hearst	0.16
Hearts Afire	0.74
Konigsb'rg/Sanitsky	0.22
MCA	13.05
MGM Worldwide	2.41
NBCP	4.54
New World	1.37
Orion	0.74
Papazian/Hirsch	0.44
Paramount	5.47
Paramount/Ubu	0.36
Reeves	0.93
RHI ENT	0.22
Shukovsky/English	2.63
Spelling	0.27
Tarses	0.14
Viacom	2.84
Vin Di Bona	0.77
Warner Bros.	18.30
Witt-Thomas	4.51

**Table E-25 Suppliers of prime-time entertainment series to ABC, CBS and NBC, 1993/94**

<b>Packager</b>	<b>Percent of packager hours</b>
20th Century Fox	3.89
ABCP	5.01
Barney Rosenzweig	0.77
Bohco	3.18
Cannell	1.30
Carsey/Warner	3.15
Castle Rock	2.83
CBS	11.37
Columbia	5.30
Cosgrove-Meurer	2.94
Disney	4.53
Gracie	1.50
Hearts Afire	0.68
Konigsb'g/Sanitsky	0.12
Kuschner-Locke	0.88
Magnum	0.53
MCA	11.87
McGregor	0.88
MGM Worldwide	2.06
NBCP	2.65
New World	0.32
Paramount	6.24
Reeves	0.29
Shukovsky/English	2.47
Spelling	1.65
Viacom	4.83
Vin Di Bona	1.27
Warner Bros.	12.69
Witt-Thomas	4.80

**Table E-26 Suppliers of prime-time entertainment series to ABC, CBS and NBC, 1994/95.†**

Packager	Percent of packager hours
20th Century Fox	5.21
ABCP*	9.90
Alliance Entertainment	2.08
Bochco	2.08
Brillstein-Grey*	0.10
Carsey-Werner	2.92
Castle Rock	1.54
CBS	10.17
Columbia	5.00
Cosgrove-Meurer	2.42
MCA*	12.38
Mozark	0.63
NBCP	5.75
Paramount	5.88
RHI/Black Sheep	0.58
Rosenzweig	0.42
Shukovsky/English	2.46
Spelling	0.92
Teddy	0.33
Viacom	3.75
Disney	5.29
Warner Bros.*	16.50
Witt-Thomas	3.08
YBL	0.63

\* ABCP and MCA co-produced "A Whole New Ballgame," "Blue Skies," and "Extreme." ABCP and Warner Bros. co-produced "On Our Own." ABCP and Brillstein-Grey co-produced "Newsradio." Half the packager hours for these shows was allocated to each producer.

† Packager hours for the 1994/95 season run from the beginning of the season until April 30, 1995.

**Table E-27 Suppliers of prime-time entertainment series to ABC, CBS and NBC, 1995/96.†**

Packager	Percent of packager hours
20th Century Fox	4.44
ABCP*	3.89
Bochco	4.44
Brillstein-Grey*	1.67
Carsey-Warner	2.22
Castle Rock*	1.67
CBS	12.22
Columbia	7.78
Cosgrove Meurer	2.22
Disney	5.56
MCA	10.00
NBCP*	6.11
Paramount*	8.89
Warner Bros.	23.33
Witt-Thomas	3.33
Worldwide Pants	1.11
YBYL Productions	1.11

\* ABCP and Brillstein-Grey co-produced "Wilde Again," "Somewhere in America," and "Newsradio." NBCP co-produced "JAG" with Paramount and "The Single Guy" with Castle Rock. Half the packager hours for these shows was allocated to each producer.

† Packager hours for the 1995/96 season are based on one week of the announced fall line-up from all three networks.